

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PENALTY ASSESSMENT UT-090441

PLEASE NOTE: You must complete and sign this document, and send it to the Commission within 15 days after you receive the penalty assessment. Use additional paper if needed.

I have read and understand RCW 9A.72.020 (printed below), which states that making false statements under oath is a class B felony. I am over the age of 18, am competent to testify to the matters set forth below and I have personal knowledge of those matters. I hereby make, under oath, the following statements.

1. **Payment of penalty.** I admit that the violation occurred and enclose \$18,000 in payment of the penalty.
2. **Request for a hearing.** I believe that the alleged violation did not occur, based on the following information, and request a hearing for a decision by an administrative law judge:

3. **Application for mitigation.** I admit the violation, but I believe that the penalty should be reduced for the reason(s) set out below:


See Attached

- a) I ask for a hearing for a decision by an administrative law judge
OR b) I waive a hearing and ask for an administrative decision on the information I present above.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing, including information I have presented on any attachments, is true and correct.

Dated: May 12, 2009 [month/day/year], at White Plains, NY [city, state]

Northstar Telecom, Inc.
Name of Respondent (company) – please print


Signature of Applicant

RCW 9A.72.020:

“Perjury in the first degree. (1) A person is guilty of perjury in the first degree if in any official proceeding he makes a materially false statement which he knows to be false under an oath required or authorized by law. (2) Knowledge of the materiality of the statement is not an element of this crime, and the actor’s mistaken belief that his statement was not material is not a defense to a prosecution under this section. (3) Perjury in the first degree is a class B felony.”



**APPLICATION FOR MITIGATION ON BEHALF OF
NORTHSTAR TELECOM INC.
PENALTY ASSESSMENT UT-090441**

Northstar Telecom, Inc. ("NST") admits the violation but is seeking a reduction of the penalty assessment based on the following mitigating factors.

1. NST has taken steps to ensure that all complaints will be responded to in a timely fashion. All complaints are passed to the company via email at psc@northstartelecom.us. Complaints sent to this address go to (1) an email distribution which includes Matt O'Flaherty, President; Anna Fernandes, Executive Escalations Analyst and primary contact for resolution of the complaints; and Maria Abbagnaro, General Counsel and (2) into the company's Operational Support System ("OSS") where it is sorted by complaint due date.
 - a. Previously NST's OSS system was not able to sort incoming complaints by due date; rather it sorted by receipt date with most recently received at the top of the received complaint list. This resulted in manually going through each complaint which left room for error with regard to missing deadlines. NST believes that this new automated sort feature will ensure that all complaints are responded to in a timely fashion.
2. NST has reorganized the department responsible for responding to complaints. Mr. Keith Applewhite, who is referenced on numerous occasions in the preliminary investigation report, has been terminated. Mr. Applewhite's attitude was in no way sanctioned by NST and frankly the undersigned is personally embarrassed by his behavior toward and interaction with the staff of the Washing Utilities and Transportation Commission ("UTC"). Mr. Applewhite unfortunately was a very poor reflection of NST and the undersigned, and was terminated in late February. He has been replaced by Anna Fernandes, who is now primarily responsible for interacting with the UTC.
 - a. Ms. Fernandes is aware of the response deadlines for each type of complaint, and in the event that a deadline may not be met for reasons beyond NST's control she will communicate this to the UTC and request permission for a delayed response; complaints and deadlines will not be ignored and she will maintain communications with the UTC.
 - b. Ms. Fernandes has already proven herself responsible and responsive as evidenced by the UTC's own report; however, in the event that the UTC has an issue with responsiveness I request that the UTC contact the undersigned so that this issue may be addressed immediately by me without utilizing the UTC's resources to launch an investigation.

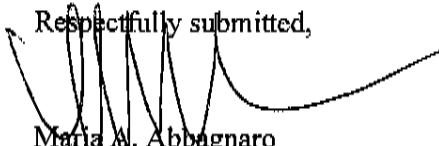
**APPLICATION FOR MITIGATION ON BEHALF OF
NORTHSTAR TELECOM INC.
PENALTY ASSESSMENT UT-090441**

3. NST deeply regrets any inconvenience or hardship caused to the residents of the State of Washington and to the Washington UTC by its failure to respond to the eight (8) complaints cited in the penalty assessment letter. Based on the foregoing efforts, NST's position is that this will not be an issue in the future and commits to use its best efforts to comply with the UTC's guidelines.

4. NST respectfully requests a reduction in the penalty amount and proposes a penalty assessment of \$1,000. This reduction is requested in light of the remedial measures the Company has taken with respect to reorganizational staffing and automating the sort feature of its OSS so that complaints are presented in the order which they are due so as to ensure prompt response. While NST acknowledges that the number of violations recorded in the UTC's report may be deemed excessive, it would like to note that these were repeated, consecutive violations related to only eight (8) consumers and that NST has taken measures to ensure that these violations will not occur in the future; primarily termination of Mr. Applewhite, the party most responsible for the issue. Further, it is important to note that the proposed penalty would adversely affect NST's ability to continue operations in the State of Washington, thus reducing competition available to consumers located in the State.

5. NST commits to work with the UTC going forward to promptly resolve and address all issues. Further, if any additional information is needed in this matter please contact the undersigned.

Respectfully submitted,



Maria A. Abbagnaro
General Counsel